

How to make use of the Natural Capital Finance Facility (NCFF) within an EIB-funded Urban Framework Loan

What is the NCFF?

The Natural Capital Finance Facility (NCFF) is a financial instrument which was set up by the European Commission and the EIB. It offers loans and technical support to projects that are expected to have a positive impact on biodiversity and/or adaptation to the impacts of climate change.

Greening a city and taking the environment and the effects of climate change into account has many positive effects. These range from reducing the flood risk of a city, tackling the negative effects of heat waves, and improving local air and water quality to strengthening social cohesion and increasing a city's overall attractiveness and quality of life.

EIB's offer under the NCFF

- **Grant-based technical assistance** of up to **1 million EUR** per project to ensure the project becomes a success (e.g. technical or financial feasibility studies, financial structuring, technical design, support in project development and capacity building, evaluating, monitoring studies and others as needed)
- **Procurement of technical assistance** is carried out on promoters behalf **by the EIB**
- **EIB financing of up to 75%** of the project costs of the NCFF components
- **Long tenors** and up to 3 year grace period on capital repayments
- An **enthusiastic and experienced team** at the European Investment Bank (EIB) supporting your project over its lifetime.

What types of investment can be financed under the NCFF?

- **Public buildings or housing:** green roofs, green/hanging walls, greening of grey surfaces, permeable parking, rain gardens
- **Green infrastructure:** creation of green corridors, planting of trees, shrubs parks and also urban gardening/farming, resident planting, rehabilitation of industrial sites or abandoned land and others
- **Blue infrastructure:** nature-based flood protection, sustainable urban drainage systems, retention basins, lakes, ponds, watershed management, re-naturalization of rivers and others.

Eligibility

- The project can pay back a loan (either through project cash flow or as from loan repayment by the City under its budget)
- Other funding for at least 25% of the overall NCFF project costs
- Loan size EUR 1-15 million (for the NCFF component)
- Project aims at contributing to the EU's LIFE objectives, in particular to having an expected positive impact on biodiversity and/or to address the impact of climate change through nature-based solutions.

How can the NCFF be combined with an EIB urban framework loan?

- An Urban Framework Loan can be used to finance a large number of investments under a City's long-term capital expenditure programme. To use the NCFF, some of the investments under the framework loan could be natural capital investments (eg. parks, green corridors) or natural capital components to investments (eg. a green roof on a public building)
- A technical support programme may be developed to support implementation of the NCFF investment components (eg. how to incorporate green roof specifications into project design, how to design the park to address urban heat island effects etc).



Next steps

If you are involved in planning and/or implementing a city's green or blue infrastructure either separately or as part of an Urban Framework Loan, we would like to hear from you: NCF_Instrument@eib.org or via the Contact Form. More info on the NCFF on our [NCFF website](#), and about Framework Loans [here](#).